

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0626-02
Bill No.: SB 252
Subject: Licenses - Driver's; Revenue Department
Type: Original
Date: February 26, 2013

Bill Summary: This proposal prohibits the Department of Revenue from retaining copies of source documents used to obtain driver's licenses and nondriver's licenses.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	(Unknown)		
Total Estimated Net Effect on General Revenue Fund	(Unknown)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

This proposal states that the **Department of Revenue (DOR)** shall not retain copies of source documents presented by applicants applying for a driver or nondriver license. Additionally, the Department is to destroy all source documents by September 11, 2013.

Driver License Bureau (DLB)

This legislation requires DLB to:

- Modify all current procedures for review and retention of source documents;
- Modify website information as applicable related to source documents;
- Review and determine changes to Missouri non-commercial and commercial driver manuals for document related changes;
- Modify procedures for handling and research of transaction related issues (incorrect demographic or license related data or other responses);
- Define requirements for Missouri Electronic Driver License Central Issuance (MEDLCI) system changes and changes to other supporting applications to remove current scanning processes for imaging source documents;
- Develop test grids for user acceptance testing of all license issuance and supporting system modifications;
- Define requirements for MEDLCI changes to incorporate a checklist process for license offices to indicate what source documents they reviewed for issuance of the transaction;
- Define requirements for MEDLCI changes to update the driver examination screens to include entry fields for scores and examiner information for purposes of supporting the transaction issuance since source documents will not be retained for verification of completed testing and an automated system does not currently exist between MSHP and DOR;
- Requires DLB to define procedures for access to all application images to remove all previously imaged copies of source documents;
- Develop training materials required for internal staff and license office staff; and
- Review and submit administrative rule changes as required regarding source document review and retention.

ASSUMPTION (continued)

Driver License Bureau -FY14

Administrative Analyst –	600 hrs @ \$24.00(1 ½) per hr =	\$14,400
Management Analyst Specialist II –	680hrs @ \$23.00 per hr =	\$15,640
Revenue Band Manager -	160 hrs @ \$30.00 per hr =	<u>\$4,800</u>
		Total = \$34,840

Personnel Services Bureau FY14

Administrative Analyst III	40 hrs @ \$22.00 =	\$880
Management Analysis Spec I	160 hrs @ \$20.00 =	<u>\$3,200</u>
		Total = \$4,080

DOR began digital imaging for issuance transaction related information in January 2005. Prior to digital imaging, source documents presented to the Department were microfilmed.

Since the Department began digital imaging in 2005, there are approximately 5.4 million documents that could potentially be “source documents”. Each and every one of these documents will need to be reviewed by DLB staff to determine if they are in fact “source documents”. When a source document is found, according to the proposed legislation, the document will need to be destroyed so as to make it irretrievable.

Also, there are no data available for the Department to determine how many potential “source documents” are kept within the Secretary of State’s office. Before digital imaging, these documents were kept on microfilm reels. The Department’s retention schedule includes documents that are required to be kept for a minimum of 75 years. Since 2005, the Department has more than 5 million documents that will need to be reviewed, so the grand total of potential source documents will be much larger.

The requirement to have all these documents destroyed by September 2013 is administratively and economically not feasible within the current revenue climate. In addition, there is no way to determine how long it may take just to review the 5.4 million documents that have been digitally imaged for the source documents, the impact to destroy all source documents is unknown.

ASSUMPTION (continued)

OA-ITSD Impact

Staff will need to:

- Create new screens to capture pertinent data;
- Change existing screens;
- Create new programs; and
- Change existing programs.

The level of effort needed to complete these requirements is valued at 560 FTE hours.

The cost for OA-ITSD is \$15,148.

Oversight assumes DOR will need to destroy any copies, in any format, of sources documents that have been obtained from driver's licenses or nondriver's license applicants by September 11, 2013. Oversight will use DOR unknown cost estimate for FY 2014.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
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GENERAL REVENUE

Costs - Department of Revenue

Administrative expenses to review and destroy all source documents prior to September 11, 2013	<u>(Unknown)</u>	<u>\$0</u>	<u>\$0</u>
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ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(Unknown)</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Under this act, the Department of Revenue shall not retain copies, in any format, of source documents presented by individuals applying for or holding driver's licenses or nondriver's licenses. In addition, the Department of Revenue shall not use technology to capture digital images of source documents so that the images are capable of being retained in electronic storage in a transferable format.

The act further requires the Department of Revenue, by September 11, 2013, to securely destroy any source documents that have been obtained from driver's license or nondriver's license applicants.

The act defines "source documents" as original or certified copies of documents presented by an applicant as required under federal law to the Department of Revenue to apply for a driver's license or nondriver's license. Source documents shall also include any documents required for the issuance, renewal, or replacement of driver's licenses or nondriver's licenses by the Department of Revenue.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue



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